

STATE OF NEW YORK)
)
COUNTY OF KINGS) SS

AFFIDAVIT

Dr. Paul Teske, being first duly sworn, deposes and says:

1. I am Associate Professor of Political Science and Public Management of SUNY Stony Brook, where I specialize in political economy. I am also an Affiliated Research Fellow with the Columbia University Graduate School of Business, Institute for Tele-Information (CITI).
2. Much of my academic research has focused on state telecommunications regulation. I wrote one book on the subject, After Divestiture: The Political Economy of State Telecommunications Regulation (SUNY Press, 1990) and edited another, American Regulatory Federalism and Telecommunications Infrastructure (Lawrence Erlbaum Associates, Inc., 1995). I am also the author of the entry on state regulation in the Encyclopedia of Telecommunications (Marcel Dekker, Inc., forthcoming 1997, edited by Fritz Froehlich). In addition, I have authored several professional journal articles on telecommunications, including "Local Telecommunications Competitors: Strategy and Policy," (with John Gebosky) in Telecommunications Policy, and others in Public Choice, Policy Studies Review, and Economic Development Quarterly, as well as a book chapter on private networks in Private Networks, Public Objectives (Elsevier Press, 1996, edited by Eli Noam).
3. In 1996 I was retained by TCG to provide testimony in the Michigan Public Service Commission ("MPSC") proceeding in which Ameritech Communications, Inc., ("ACI") sought to obtain a license to provide basic local exchange service in the State of Michigan, Case No U-11053, Re: Ameritech Communications, Inc. ("ACI Proceeding"). The purpose of my testimony was to discuss the public interest considerations arising from ACI's application for local certification to provide basic local exchange service in conjunction with intraLATA toll and interLATA service.
4. In connection with my testimony in that case, I personally reviewed all the testimony and supporting exhibits and other documentation supplied by ACI in support of its application. I also reviewed portions of the transcripts of cross examination from the contested case record which was developed in MPSC Case No. U-11053.
5. I have reviewed the relevant portions of the Application of Ameritech Michigan for Provision of In-Region, InterLATA Services in Michigan, filed with the Federal Communications Commission ("FCC") on January 2, 1997. I have also reviewed the relevant portions of the second such Application filed with the FCC dated May 21, 1997.

6. It is my opinion, based upon the record developed in the ACI Proceeding, that Ameritech Michigan's submission to the FCC does not provide accurate information in several instances regarding whether certain of the competitive check list items dealing with the requirement of a separate affiliate have in fact been met in Michigan.
7. Ameritech Michigan claims in its brief and affidavits that it complies with Section 272(b)(1) requirements because it has and will operate independently from its new affiliate, ACI.¹ The evidence from the ACI proceeding, however, is to the contrary, including testimony from Mr. Julian. In the ACI Proceeding, ACI's witness Julian presented a fairly comprehensive list of services which may be shared by ACI, Ameritech Michigan or other affiliates, including, but not limited to: accounting and financing services, staff, and facilities; human resource services, staff, and facilities; accounting, financial, and human resource transaction processing and data accumulation, staff, and facilities; auditing, legal, pension, public affairs and labor relations services, staff, and facilities; tax compliance services, staff, and facilities; insurance policy coverage under Ameritech umbrella policies; and "general corporate oversight inherent in a parent/subsidiary relationship."²
8. Ameritech Michigan states in its Brief that it has complied and will continue to comply with the requirements of Section 272(b)(2) that ACI keep separate books from those of Ameritech Michigan and that the RBOC track all affiliate transactions in accordance with Commission approved accounting principles. Ameritech Michigan also states that it will comply with the Commission's accounting requirements recently adopted in the Accounting Safeguards Report and Order.³ The parties in the Michigan ACI proceeding discovered during cross-examination of ACI's Vice-President of Finance and Administration, Mr. Patrick Earley, that while Ameritech Corporation had already loaned approximately \$90 million in investments to ACI, all of the money which had been provided by Ameritech to ACI to that date had been in the form of unsecured debt, and that those monies were provided pursuant to an oral agreement only; at that time there apparently was no written document which described terms and conditions of those loans.⁴ Mr. Earley could not identify what the terms of those loans were nor what the payback period was.⁵ Mr. Earley also testified that the \$90 million of charges incurred by ACI to the date of his testimony was split between direct versus non-direct charges, but he could not identify the split between these charges, and ACI did not produce with its Michigan application any documents, including an annual financial statement

¹ Ameritech Michigan's Brief at 55.

² MPSC Case No. U-11053, Volume 5 Tr at 560.

³ Ameritech Michigan's Brief at 56-57.

⁴ MPSC Case No. U-11053, Volume 4 Tr at 455.

⁵ *Id.*, Volume 4 Tr at 456.

or balance sheet, which might have helped to identify the split between direct versus non-direct charges.⁶

9. Ameritech Michigan also states in its Brief that it has complied and will continue to comply with the obligations of Section 272(b)(3) that the separate affiliate shall have separate employees, officers and directors.⁷ The record of the proceeding in Michigan is distinctly less clear on this issue. ACI's witness Mr. Earley indicated that some of the expenses which ACI was incurring "indirectly" in Michigan included "the time for various support groups that may be happening throughout Ameritech that are capturing that time and cross-charging it to ACI."⁸ He also gave conflicting testimony on whether or not ACI even had any employees at that time, first claiming "200 or 200-plus dedicated employees" of ACI,⁹ but then later stating that ACI had no employees "at this point."¹⁰ Based upon this testimony, it is possible that one or more Ameritech affiliates contributed up to more than 200 employees for the benefit of ACI. Furthermore, while none of the ACI affiliate's officers are also currently officers with Ameritech Michigan, about 40% of ACI's officers went directly from Ameritech Michigan to ACI.¹¹
10. Ameritech Michigan also states in its Brief that it complies with the requirement of Section 272(b)(4), which provides that no separate affiliate may obtain credit under any arrangement that would permit a creditor recourse to the assets of the RBOC, upon default by the affiliate.¹² In Michigan, ACI produced evidence to the contrary, representing that its parent Ameritech would be providing the full financial backing to ACI and stand behind its financial obligations in order to get its operations running and to provide service to each person requesting service in the territories which ACI claimed it intend to serve.¹³ While ACI claimed that in doing so it would not encumber or pledge any of the assets of Ameritech's local exchange operations, ACI's Mr. Earley, testified that he did not know which financial

⁶ *Id.*, Volume 3 Tr at 426-428.

⁷ Ameritech Michigan's Brief at 57.

⁸ MPSC Case No. U-11053, Volume 3 Tr at 425.

⁹ *Id.*

¹⁰ *Id.*, Volume 4 Tr at 451.

¹¹ *Id.*, Volume 5 Tr at 909.

¹² Ameritech Michigan's Brief at 57.

¹³ MPSC Case No. U-11053, Volume 4 Tr at 399-40; ¶¶ 8 and 11.

assets of Ameritech's local operations will not be pledged or otherwise encumbered.¹⁴

11. Ameritech Michigan asserts that it "will comply" with Section 272(b)(5) requirements that it conduct all transactions with the RBOC with which it is affiliated on an arm's length basis, with all such transactions being reduced to writing and available for public inspection.¹⁵ The evidence produced by testimony in the Michigan proceeding is to the contrary, at least as regards past conduct of the two companies. As indicated above, Mr. Earley, ACI Vice-President of Finance and Administration, testified that Ameritech Corporation had already loaned, as of the date of his testimony, approximately \$90 million in investments to ACI.¹⁶ However, he could not identify how much of that investment was related to providing service in Michigan,¹⁷ he could not identify whether Ameritech had a maximum or minimum financial commitment to Ameritech Communications,¹⁸ and he could not determine how much of Ameritech's financial commitment would be targeted to local exchange service versus long distance service.¹⁹
12. Ameritech Michigan further asserts that it will comply with the nondiscrimination safeguards and requirements of Sections 272(c)(1) and 272 (e).²⁰ Again, the record evidence in Michigan belies this assertion. In the ACI case, ACI openly stated that it intended to provide basic local exchange service on a resold basis, rather than establish its own facilities for that purpose. More importantly for the present issue, ACI also admitted, through its witness Dr. David Teece, that ACI was more likely to buy service from Ameritech Michigan for resale than from other potential providers of local exchange service in Michigan.²¹ Dr. Teece's admission raises the very real concern that Ameritech Michigan is capable and willing to discriminate in favor of its affiliate, ACI, over other purchasers of basic local exchange service for resale, and thus better secure Ameritech's dominance in the basic local exchange market, as well as use this leverage to gain a competitive advantage in the market for "one-stop shopping" of bundled local exchange and interLATA service. In addition, ACI witness Julian admitted that the company had no plan in place to determine whether ACI was, in fact, getting better

¹⁴ *Id.*, Volume 4 Tr at 423.

¹⁵ Ameritech Michigan's Brief, at 57-58.

¹⁶ MPSC Case No. U-11053, Volume 4 Tr at 426.

¹⁷ *Id.*, Volume 3 Tr at 449.

¹⁸ *Id.*, Volume 4 Tr at 442.

¹⁹ *Id.*, Volume 4 Tr at 440-1.

²⁰ Ameritech Michigan's Brief at 58-60.

²¹ MPSC Case No. U-11053, Volume 3 Tr at 203.

service from Ameritech Michigan than any other unaffiliated competing carrier, so as to ensure a system of non-discriminatory treatment. In light of the significant links between the two companies which were developed in the Michigan evidentiary record, the mere assertion to the FCC by affidavit that non-discriminatory services, facilities and treatment will be provided to all competing carriers is suspect. A much better indication of Ameritech Michigan's ability to act in a non-discriminatory fashion would be reports of actual data accumulated over six months or more time, during a period when several competing carriers are actually interconnected with Ameritech Michigan, providing service to customers, and making requests to Ameritech Michigan for goods, services, and facilities.

Paul E. Teske
Dr. Paul Teske

Subscribed and sworn to before me
this 6 day of June, 1997.

Melvin M. Hurwitz
Notary Public
Kings County, Acting in
Kings County,

Expiration: Sept 30, 1998

MELVIN M. HURWITZ
Notary Public, State of New York
No. 01HU7018500
Qualified in Kings County
Commission Expires Sept. 30, 1998

EXHIBIT G

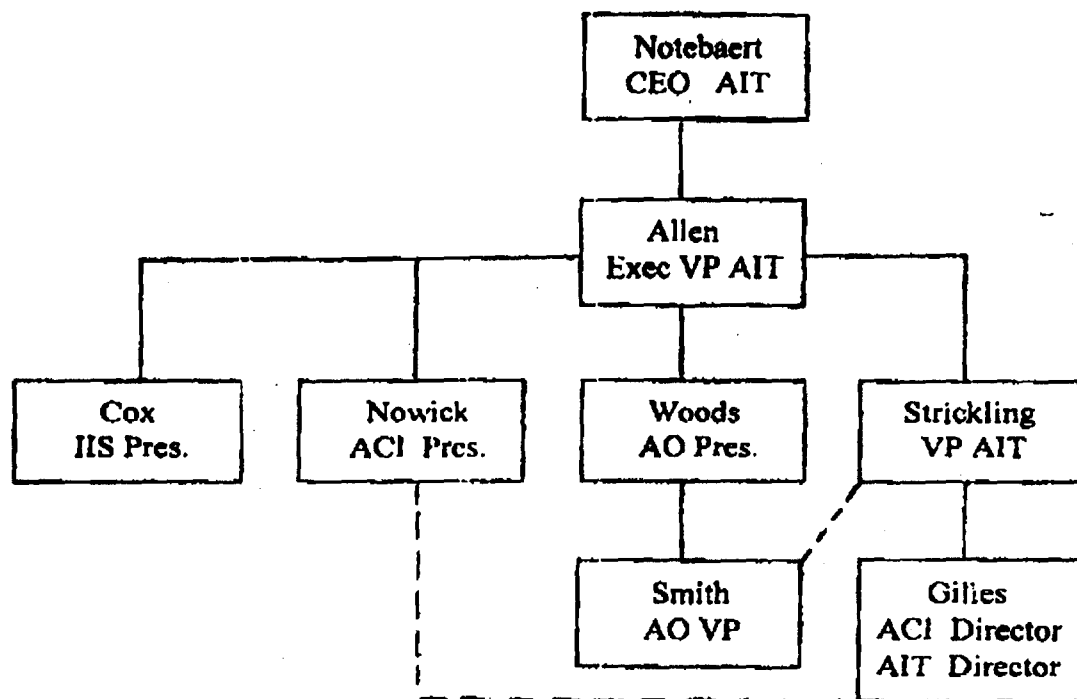


EXHIBIT H

1 prepared to abide by all the rules that may be laid out
2 over the next couple months.

3 Q That doesn't answer my question, though. Are you in a
4 position -- let me rephrase.

5 Your testimony says, "Ameritech
6 Corporation will provide sufficient financial resources
7 ..." So my question is, are you committing Ameritech
8 Corporation to provide whatever it takes to do this task?

9 A As part of the information that is contained in the annual
10 report that is in one of the exhibits, Ameritech is
11 committed as part of one of its strategic thrusts to
12 create a full-service enterprise of which they've
13 designated ACT as that enterprise, and as a strategic
14 initiative within the corporation one can only assume that
15 they will provide the sufficient financial resources in
16 order for it to fulfill its strategic initiatives.

17 Q So it's fair to say that for your purposes you're assuming
18 that Ameritech will do that?

19 A Yes, sir.

20 Q O.K. Let me ask you, Mr. Earley, who's going to decide
21 what is sufficient, will it be ACT or will it be
22 Ameritech?

23 A Ultimately in their governing role the Board of Directors
24 of Ameritech will.

25 Q Now, your testimony also says that Ameritech will, quote,

1 the specific legal requirement in the MTA with respect to
2 asset transfers is met?

3 A Yes, sir.

4 Q Have you sought legal advice on complying with those legal
5 requirements with respect to the asset -- well, let me
6 back up.

7 Have you transferred any assets between
8 ACI and Ameritech?

9 A No, sir.

10 Q Is it possible that there will be asset transfers?

11 A There is that possibility, yes.

12 Q Will that occur before customer -- let me rephrase it.

13 Is that likely to occur before a license
14 is issued?

15 A I can't determine that because -- I can't determine that.

16 Q Well, let me try it differently. Are there asset
17 transfers that are pending that might occur before this
18 Commission could act on your license application?

19 A Not to my knowledge.

20 Q There couldn't be any such transfers pending in that
21 category that would not be known to ACI's Vice President
22 of Finance, could there?

23 A I would hope not.

24 MR. COY: That's all the questions I have
25 for Mr. Earley. Thank you, Mr. Earley.

1 competitive service. I haven't said when we would.

2 Q O.K. Would ACI seek to declare a regulated
3 telecommunications service as a competitive service if
4 other entities were able to provide service other than
5 Ameritech Michigan?

6 A We might.

7 Q Currently what other entities do you know of that are able
8 at this point to provide basic local exchange service
9 other than Ameritech Michigan or GTE North in those local
10 exchange markets?

11 A What do you mean, able to provide?

12 Q All right. Assuming that they are licensed, are they in
13 fact able to sign up customers at this point and provide
14 service?

15 A I don't know if they're able to provide in that sense.

16 Q On page 9 of your prefilled testimony, lines 4 through 6,
17 you indicate that ACI will not sell or transfer capital
18 assets used to provide basic local exchange service for an
19 amount less than the fair market value to an affiliate for
20 the purpose of providing an unregulated service; is that
21 correct?

22 A That's correct.

23 Q O.K. Would ACI sell or transfer capital assets used for
24 basic local exchange service at an amount less than fair
25 market value to an affiliate for providing a regulated

1 service?

2 A Are you asking me to make a decision as to whether we
3 would sell it at less than fair market value?

4 Q Yes.

5 A I cannot envision circumstances in which we would sell an
6 asset at less than fair market value.

7 Q In any situation?

8 A I said I can't envision a circumstance. We are a separate
9 subsidiary, and that would strike me as charity work.

10 Q On page 13 of your prefiled testimony, if I could refer
11 you there.

12 A Is that 13?

13 Q 13, yes. And actually it's in connection -- this is an
14 answer in connection with the question posed at the bottom
15 of page 12. The question posed was: What are the general
16 categories of services which may be shared by ACI,
17 Ameritech Michigan, or other affiliates?

18 And in response, I'm looking at
19 specifically lines 1 through 3, you indicate that "...
20 general corporate oversight inherent in a
21 parent/subsidiary relationship."

22 Could you define for me what would be a
23 general corporate oversight inherent in such a
24 relationship?

25 A You mean what is included under general corporate

1 CCAC0009.

2 A I don't have that one.

3 MR. MOORE: Counsel, can I approach him
4 for a minute?

5 (Document handed to the witness by Mr.
6 Moore.)

7 Q (By Mr. Moore) That data request had asked for a
8 breakdown of non-ACI employees performing services for
9 ACI, and it indicates that there are, at least in 1996,
10 three Ameritech Michigan employees performing service. I
11 just want to clear up the difference.

12 A There were.

13 Q They are no longer?

14 A They are no longer.

15 Q So therefore the first data request is correct as of this
16 moment? That would be CCAC0008.

17 A Both data requests are correct.

18 Q Now I'd like to call your attention to Exhibit S-40.

19 A Yes.

20 Q And this is the response to CCAC0017. It indicates, first
21 of all --

22 A Excuse me. I'm sorry, sir. 0017?

23 Q That's what I have.

24 MR. DENLOW: 27. That's our
25 understanding.

- 1 Q (By Mr. Moore) O.K. S-39.
- 2 A Oh. I'm sorry.
- 3 Q No, it was my fault.
- 4 A (After reviewing documents) Yes.
- 5 Q O.K. Now, this shows CCAC0017.
- 6 A Yes.
- 7 Q Now, this response indicates that no assets have been sold
- 8 or transferred to ACI by Ameritech affiliates in 1995 and
- 9 '96 but there have been some services sold, and I'd just
- 10 like to go through these services. What is your
- 11 understanding of the nature of the access and trunk lease
- 12 services that have been provided?
- 13 A Access and trunk leases were provided in connection with
- 14 our switches.
- 15 Q ACI is not currently providing any services; is that
- 16 correct?
- 17 A That's not true.
- 18 Q Is it providing customers with services?
- 19 A We are providing services on a private carrier basis for
- 20 cellular customers.
- 21 Q And are these access and trunk lease services associated
- 22 with the cellular services being provided?
- 23 A Certainly they'd be part of them, yes.
- 24 Q And would the remaining services that are listed on this
- 25 data request also be associated with the current services

**Illinois Commerce Commission
Docket No. 95-0443
Data Request TCG-11**

Data Requested

On p. 17 of his rebuttal testimony, ACII Witness Julian states that "Both AT&T and MCI suggest that Ameritech Illinois may transfer significant assets and entire service functions to ACII as part of a market segmentation strategy..." Has Ameritech Illinois or other affiliates such as Ameritech Communications, Inc. transferred assets to ACII? If so, please provide a completed list of assets transferred to ACII from Ameritech Illinois and/or these other affiliates, including identification, of the asset and both the book value and market value of the asset, as well as the date of the transfer.

Response

No

Witness Responsible:

Ryan Julian

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ameritech Communications of Ohio, Inc. For Authority to Provide Competitive Telecommunication Services in the State of Ohio.))))))	Case No. 96-327-CT-ACE
--	----------------------------	------------------------

In the Matter of the Application of Ameritech Communications of Ohio, Inc. For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Service Throughout the State of Ohio.))))))	Case No. 96-658-TP-ACE
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**AMERITECH COMMUNICATIONS OF OHIO, INC.'S
RESPONSE TO TCG CLEVELAND'S
INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
OCTOBER 22, 1996**

Ameritech Communications of Ohio, Inc. ("ACI-Ohio") hereby responds to the
Interrogatories and Document Requests served by TCG Cleveland in the above case.

1. Please provide copies of all documents Ameritech has received from the PUCO regarding these cases and the issues in these cases. (Please note this discovery set's preamble request for supplementation of responses such as for this and all other requests.)

Answer: ACI-Ohio objects to the request on the ground that all documents that Ameritech has received from the PUCO regarding these cases are public documents which can be obtained by TCG from the Docketing Division's public file, with the exception of the Information Request received from the Staff on April 17, 1996, in Case No. 96-327-CT-ACE.



21. Have affiliates of ACI, such as Ameritech Communications, Inc., transferred assets to ACI-Ohio? If so, please provide a complete list of assets transferred to ACI-Ohio from affiliates, including identification of the affiliate, the asset and both the book value and market value of the asset, as well as the date of the transfer.

Answer: At this time, no specific assets have been transferred to ACI-Ohio from ACI or its affiliates.

22. Have affiliates of ACI, including Ameritech Corporation, transferred facilities, or other assets, funds, or made unsecured loans to ACI? If yes, please provide a complete list of assets, funds, or unsecured loans transferred to ACI from these affiliates, including identification of the asset and both the book value and market value of the asset, as well as the date of the transfer, and the amount of funds and/or unsecured loans.

Answer: All of the funding for ACI and ACI-Ohio to date has been in the form of invested capital from the Ameritech Corporation.

23. Please provide all documents in ACI-Ohio's possession containing information related to the subject matter of the above request nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22. (Please see the definition of ACI-Ohio.) Your response should include all documents related to ACI's business plans regarding the referenced subject matters.

Answer: ACI-Ohio objects to the request on the ground that it is overly broad, unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence. By its terms, this request asks for production of virtually every document at Ameritech dealing with a wide range of irrelevant issues raised in the requests.

24. In Exhibit 4 of the Amendment to its Application, ACI-Ohio states "ACI has no directors, officers, or employees in common with Ameritech Ohio. All benefits which ACI and Ameritech Ohio (its LEC affiliate) provide to their respective employees will be accounted for and paid for by their respective employers."

A. Does ACI-Ohio have directors, officers, or employees in common with Ameritech Communications, Inc.? If so, please identify such persons including names, titles, addresses, and phone numbers of these employees.

Answer: The officers and directors of ACI and of its subsidiaries (including ACI-Ohio) are the same.

Ameritech Communications, Inc.
Case No. U-11053
Of: Comcast Corporation
No.: First
Date: April 9, 1996

CCAC0017

Please provide the value of assets and services sold, leased or transferred in any way to ACI by Ameritech Michigan or any Ameritech affiliate in 1995 and 1996. Please identify the methodology of establishing the value of the transferred assets or services.

Response

No assets have been sold or transferred to ACI by Ameritech affiliates in 1995 and 1996. The value of services sold to ACI are as follows

	<u>1995</u>	<u>3/31/96</u>
- Access and Trunk Lease:	\$ 0.6 M	\$ 0.8 M
- Network Services:	4.3 M	0.3 M
- Billing Services:	13.8 M	3.6 M
- Administrative Services	<u>1.2 M</u>	<u>0.6 M</u>
	\$19.9 M	\$ 5.3 M

The methodology of establishing the value was fully distributed costs for all categories except Access and Trunk lease charges. Tariffed rates are used for Access and Trunk lease charges.

Witness Responsible: Julian

EXHIBIT I

225 West Randolph Street
Floor 278
Chicago, IL 60606
Office 312/727 6705
Fax 312/845-8871

Louise A. Sunderland
Counsel - Regulatory

Ameritech

September 20, 1995

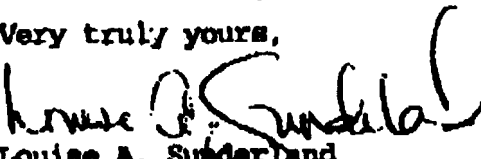
Ms. Donna Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, IL 62794-9280

Dear Ms. Caton:

Enclosed please find the original and four copies of Ameritech Illinois' Petition for Clarification of Investment Obligation under the Alternative Regulation Plan.

Please file stamp and return one of the copies to me in the enclosed, pre-paid, stamped envelope

Very truly yours,


Louise A. Sunderland

LAS:pdg
encl.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Bell Telephone Company)
) Docket
Petition for Clarification)
of Investment Obligation under the)
Alternative Regulation Plan.)

PETITION FOR CLARIFICATION

Illinois Bell Telephone Company ("Ameritech Illinois" or "the Company"), by its attorneys, respectfully files a petition for clarification of the Commission's order in Dockets 92-0448/93-0239 relative to Ameritech Illinois' commitment to invest \$3 billion in network infrastructure over the first five years of the plan. In support whereof, Ameritech Illinois states as follows:

1. In its Order in Dockets 92-0448/93-0239, the Commission adopted an Alternative Regulation Plan for Ameritech Illinois. As part of that plan, Ameritech Illinois committed to "...at least \$3 billion in expenditures in Illinois for growth and modernization of the telecommunications network over the first five-year period of the plan". Order in Dockets 92-0448/93-0239, adopted October 11, 1994, Appendix A, Section I, E. (p.6). This commitment was approved by the Commission. In accordance with Section II, E. of the plan document, Ameritech Illinois filed reports with the Commission on March 31, 1995 and April 1, 1996 describing its technology investments on both a projected and historical basis.

2. With this petition, Ameritech Illinois is seeking clarification of the Commission's Order relative to the \$3 billion commitment. This commitment was made, and should be construed to be, relative to the Ameritech family of companies. This position is consistent with the statements made by the Company in that proceeding and previously made to the Governor of Illinois when amendments to the Public Utilities Act authorizing this Commission to adopt alternative plans of regulation were being considered by the General Assembly.

3. This approach is particularly appropriate given the changes in the regulatory and legal environment that have occurred since adoption of the order in Dockets 92-0448/93-0239. Infrastructure which Ameritech Illinois had originally assumed would be part of its network has now been shifted to separate subsidiaries such as New Media Enterprises (broadband video distribution facilities), and Ameritech Communications Inc. of Illinois (long distance). These investments will provide the same infrastructure benefits to the State, regardless of which corporate entity makes them, and should properly be considered as part of the Company's commitment. In addition, entities such as Ameritech Services, which provides centralized services to Ameritech Illinois, should always have been included.


4. In order to eliminate uncertainty as to the nature of the Company's obligation, however, Ameritech Illinois believes that a formal clarification of the Commission's

order is necessary and appropriate. Accordingly, Ameritech Illinois is submitting this petition to create an appropriate forum in which this issue may be addressed.

WHEREFORE, Ameritech Illinois respectfully requests that the Commission clarify the above-referenced commitment approved in Docket 92-0448/93-0239 to include investments made by the Ameritech family of companies.

Respectfully submitted,

Illinois Bell Telephone Company


Louise A. Sunderland

Louise A. Sunderland
Mark A. Kerber
Illinois Bell Telephone Company
225 West Randolph Street, 27-B
Chicago, IL 60606
(312) 727-6705

September 20, 1996

STATE OF ILLINOIS)

COUNTY OF COOK)

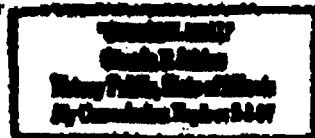
VERIFICATION

David Gebhardt, being first duly sworn, states on oath that he is Vice President - Regulatory for Ameritech Illinois and that the facts stated in the foregoing Petition for Clarification are true and correct to the best of his knowledge, information and belief.

David H. Gebhardt
David H. Gebhardt

Subscribed and sworn to
before me this 20th day
of September, 1996.

Glenda J. Atkins
Notary Public



Louise A. Sunderland
Counsel - Regulatory

Ameritech

December 17, 1996

Ms. Donna M. Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, IL 62794-9280

Re: Docket No. 96-0469

Dear Ms. Caton:

Enclosed please find an original and four copies of Illinois Bell Telephone Company's Notice of Withdrawal of Petition in the above-referenced docket.

Please file stamp and return a copy to the undersigned in the enclosed postage-paid envelope.

Yours truly,



Louise A. Sunderland

LAS:pd
encl.
cc: service list